GENERAL RATE CASE USING A FULLY-FORECASTED TEST PERIOD

(Except Sewers)

Filing Requirements Checklist

(Applicable Regulation: 807 KAR 5:001, Sections 8 and 10)

Case No. ____________ Applicant Name ______________________ Received Date ________________ Form Circulation Date ______________

Instructions:

1) Each division noted by checkmark ( ) is to complete its review and pass on within two days of receipt.
2) This form is to list only the specific filing deficiencies as identified in the regulations. If additional information is needed, an information request must be issued.
3) Staff member should use initials and list date review is completed.
4) Return to Docket Section following review by all divisions.

Reviewed by following Divisions:		Date	Staff Member
______	Filings	______	______
______	Financial Analysis	______	______
______	Engineering	______	______
______	Legal	______	______

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met Yes	Requirement Met No	Waiver Requested	Approve Waiver? Yes	Approve Waiver? No
Legal	KRS 278.180	30 days' notice of rates to Commission (no effective date means no notice given and this is acceptable)					
	807 KAR 5:001:						
Filings	Section 8(1)	Full name and post office address of applicant and a reference to the particular provision of law requiring Commission approval.					
Filings	Section 8(2)	The original and 10 copies of the application with an additional copy for any party named therein as an interested party.					

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met: Yes	Requirement Met: No	Waiver Requested	Approve Waiver?: Yes	Approve Waiver?: No
Legal	Section 10(1)(b)(1)	A statement of the reason the adjustment is required.					
Legal	Section 10(1)(b)(2)	A statement that the utility's annual reports, including the annual report for the most recent calendar year, are on file with the commission in accordance with 807 KAR 5:006, Section 3(1)					
	Section 10(1) (b)(3) and (5)	If the utility is incorporated, a certified copy of the utility's articles of incorporation and all amendments thereto or out of state documents of similar import. If the utility's articles of incorporation and amendments have already been filed with the Commission in a prior proceeding, the application may state this fact making reference to the style and case number of the prior proceeding <u>and</u> a certificate of good standing or certificate of authorization dated within sixty (60) days of the date the application is filed.					
Legal	Section 10(1)(b)(4) and (5)	If applicant is a limited partnership, a certified copy of the limited partnership agreement <u>or</u> if the agreement was filed with the PSC in a prior proceeding, a reference to the style and case number of the prior proceeding <u>and</u> a certificate of good standing or certificate of authorization dated within sixty (60) days of the date the application is filed.					
Legal	Section 10(1)(b)(6)	A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that such a certificate is not necessary.					
Financial Analysis	Section 10(1)(b)(7)	The proposed tariff in form complying with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed.					
Financial Analysis	Section 10(1)(b)(8)	Proposed tariff changes shown either by providing present and proposed tariffs in comparative form or indicating additions by italized inserts or underscoring and striking over deletions in a copy of the current tariff.					
Legal	Section 10(2)	If gross annual revenues exceed $1,000,000 written notice of intent filed at least four (4) weeks prior to application. Notice shall state whether the application will be supported by historical or a fully forecasted test period.					

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met: Yes	Requirement Met: No	Waiver Requested	Approve Waiver?: Yes	Approve Waiver?: No
Financial Analysis	Section 10 (8)(a)	Financial data for forecasted period presented as pro forma adjustments to base period.					
Financial Analysis	Section 10 (8)(b)	Forecasted adjustments shall be limited to the 12 months immediately following the suspension period.					
Financial Analysis	Section 10 (8)(c)	Capitalization and net investment rate base shall be based on a 13 month average for the forecasted period.					

UTILITIES USING A FULLY FORECASTED TEST PERIOD SHALL INCLUDE THE FOLLOWING INFORMATION OR A STATEMENT EXPLAINING WHY THE REQUIRED INFORMATION DOES NOT EXIST AND IS NOT APPLICABLE TO THE UTILITY'S APPLICATION:

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met: Yes	Requirement Met: No	Waiver Requested	Approve Waiver?: Yes	Approve Waiver?: No
Financial Analysis	Section 10(9)(a)	Prepared testimony of each witness supporting its application including testimony from chief officer in charge of Kentucky operations on the existing programs to achieve improvements in efficiency and productivity, including an explanation of the purpose of the program;					
Engineering	Section 10(9)(b)	Most recent capital construction budget containing atminimum 3 year forecast of construction expenditures;					
Financial Analysis	Section 10(9)(c)	Complete description, which may be in prefiled testimony form, of all factors used to prepare forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported;					
Financial Analysis	Section 10(9)(d)	Annual and monthly budget for the 12 months preceding filing date, base period and forecasted period;					
Legal	Section 10(9) (e)	Attestation signed by utility's chief officer in charge of Kentucky operations providing:					
		1. That forecast is reasonable, reliable, made in good faith and that all basic assumptions used have been identified and justified; and					
		2. That forecast contains same assumptions and					

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met Yes	Requirement Met No	Waiver Requested	Approve Waiver? Yes	Approve Waiver? No
		methodologies used in forecast prepared for use by management, or an identification and explanation for any differences; and					
		3. That productivity and efficiency gains are included in the forecast;					
Engineering	Section 10(9)(f)	For each major construction project constituting 5% or moremore of annual construction budget within 3 year forecast, following information shall be filed:					
Engineering		1. Date project began or estimated starting date;					
Engineering		2. Estimated completion date;					
Engineering		3. Total estimated cost of construction by year exclusive and inclusive of Allowance for Funds Used During Construction (“AFUDC”) or Interest During Construction Credit; and					
Engineering		4. Most recent available total costs incurred exclusive and inclusive of AFUDC or Interest During Construction Credit;					
Engineering	Section 10(9)(g)	For all construction projects constituting less than 5% of annual construction budget within 3 year forecast, file aggregate of information requested in paragraph (f) 3 and 4 of this subsection;					
Financial Analysis	Section 10(9)(h)	Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:					
		1. Operating income statement (exclusive of dividends per share or earnings per share);					
		2. Balance sheet;					
		3. Statement of cash flows;					

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met: Yes	Requirement Met: No	Waiver Requested	Approve Waiver?: Yes	Approve Waiver?: No
		4. Revenue requirements necessary to support the forecasted rate of return;					
		5. Load forecast including energy and demand (electric);					
		6. Access line forecast (telephone);					
		7. Mix of generation (electric);					
		8. Mix of gas supply (gas);					
		9. Employee level;					
		10. Labor cost changes;					
		11. Capital structure requirements;					
		12. Rate base;					
		13. Gallons of water projected to be sold (water);					
		14. Customer forecast (gas, water);					
		15. MCF sales forecasts (gas);					
		16. Toll and access forecast of number of calls and number of minutes (telephone); and					
		17. A detailed explanation of any other information provided					
Financial Analysis	Section 10(9)(i)	Most recent FERC or FCC audit reports;					
Financial Analysis	Section 10(9)(j)	Prospectuses of most recent stock or bond offerings;					
Financial Analysis	Section 10(9)(k)	Most recent FERC Form 1 (electric), FERC Form 2 (gas), or the Automated Reporting Management Information System Report (telephone) and PSC Form T (telephone);					
Financial Analysis	Section 10(9)(l)	Annual report to shareholders or members and statistical supplements for the most recent 5 years prior to application filing date;					

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met: Yes	Requirement Met: No	Waiver Requested	Approve Waiver?: Yes	Approve Waiver?: No
Financial Analysis	Section 10(9)(m)	Current chart of accounts if more detailed than UniformSystem of Accounts chart;					
Financial Analysis	Section 10(9)(n)	Latest 12 months of the monthly managerial reports providing financial results of operations in comparison to forecast;					
Engineering	Section 10(9)(o)	Complete monthly budget variance reports, with narrative explanations, for the 12 months prior to base period, each month of base period, and subsequent months, as available;					
Financial Analysis	Section 10(9)(p)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued during prior 2 years and any Form 10-Qs issued during past 6 quarters;					
Financial Analysis	Section 10(9)(q)	Independent auditor's annual opinion report, with any written communication which indicates the existence of a material weakness in internal controls;					
Financial Analysis	Section 10(9)(r)	Quarterly reports to the stockholders for the most recent 5 quarters;					
Financial Analysis	Section 10(9)(s)	Summary of latest depreciation study with schedules itemized by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall identify current and base period depreciation rates used by major plant accounts. If information has been filed in another PSC case, refer to that case's number and style;					
Financial Analysis	Section 10(9)(t)	List all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with application. Include each software, program, or model; its use; identify the supplier of each; briefly describe software, program, or model; specifications for computer hardware and operating system required to run program					
Financial Analysis	Section 109)(u)	If the utility had any amounts charged or allocated to it by an affiliate or general or home office or paid any monies to an affiliate or general or home office during the base period or during the previous three (3) calendar years, the utility shall file:					

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met: Yes	Requirement Met: No	Waiver Requested	Approve Waiver?: Yes	Approve Waiver?: No
		1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each allocation or payment;					
		2. Method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period;					
		3. Explain how allocator for both base and forecasted test period was determined; and					
		4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during base period is reasonable;					
Financial Analysis	Section 10(9)(v)	If gas, electric or water utility with annual grossrevenues greater than $5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from single time period; and					
Financial Analysis	Section 10(9)(w)	Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file: 1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and					
		2. Service specific cost studies supporting pricing of services generating annual revenue greater than $1,000,000 except local exchange access:					
		a. Based on current and reliable data from single timeperiod; and					
		b. Using generally recognized fully allocated, embedded, or incremental cost principles.					
Financial Analysis	Section 10(10)(a)	Jurisdictional financial summary for both base and forecasted periods detailing how utility derived amount of requested					

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met: Yes	Requirement Met: No	Waiver Requested	Approve Waiver?: Yes	Approve Waiver?: No
		revenue increase;					
Financial Analysis	Section 10(10)(b)	Jurisdictional rate base summary for both base and forecasted periods with supporting schedules which include detailed analyses of each component of the rate base;					
Financial Analysis	Section 10(10)(c)	Jurisdictional operating income summary for both base and forecasted periods with supporting schedules which provide breakdowns by major account group and by individual account;					
Financial Analysis	Section 10(10)(d)	Summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors;					
Financial Analysis	Section 10(9)(e)	Jurisdictional federal and state income tax summary for both base and forecasted periods with all supporting schedules of the various components of jurisdictional income taxes;					
Financial Analysis	Section 10(10)(f)	Summary schedules for both base and forecasted periods (utility may also provide summary segregating items it proposes to recover in rates) of organization membership dues; initiation fees; expenditures for country club; charitable contributions; marketing, sales, and advertising; professional services; civic and political activities; employee parties and outings; employee gifts; and rate cases;					
Financial Analysis	Section 10(10)(g)	Analyses of payroll costs including schedules for wages and salaries, employees benefits, payroll taxes straight time and overtime hours, and executive compensation by title;					
Financial Analysis	Section 10(10)(h)	Computation of gross revenue conversion factor for forecasted period;					
Financial Analysis	Section 10(10)(i)	Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for 5 calendar years prior to application filing date, base period, forecasted period, and 2 calendar years beyond forecast period;					
Financial	Section 10(10)(j)	Cost of capital summary for both base and forecasted periods					

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met: Yes	Requirement Met: No	Waiver Requested	Approve Waiver?: Yes	Approve Waiver?: No
Analysis		with supporting schedules providing details on each component of the capital structure					
Financial Analysis	Section 10(10)(k)	Comparative financial data and earnings measures for the 10 most recent calendar years, base period, and forecast period;					
Financial Analysis	Section 10(10)(l)	Narrative description and explanation of all proposed tariff changes;					
Financial Analysis	Section 10(10)(m)	Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes; and					
Financial Analysis	Section 10(10)(n)	Typical bill comparison under present and proposed rates for all customer classes.					
Financial Analysis	Section 10(3)(a)	Amount of change requested in dollar amounts and percentage for each customer classification to which change will apply.					
Financial Analysis	Section 10(3)(b)	Present and proposed rates for each customer class to which change would apply.					
Financial Analysis	Section 10(3)(c)	Electric, gas, water and sewer utilities - the effect upon average bill for each customer class to which change will apply.					
Financial Analysis	Section 10(3)(d)	Local exchange companies - include effect upon average bill for each customer class for change in basic local service.					
Legal	Section 10(4)	If copy of public notice included, did it meet requirements?*					

* If applicant has 20 customers or less, written notice of proposed rate changes and estimated amount of increase per customer class shall be mailed to each customer no later than date of application.

For applicants with more than 20 customers, notice of proposed rates and estimated amount of increase per customer class shall be: (1) included with customer billings before application is filed or (2) published in a trade publication or newsletter going to all customers before applications is filed or (3) published once a week for 3 consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, first publication to be made within seven (7) days of the filing of the application.

If the notice is published, an affidavit from the publisher verifying the notice was published, including the dates of the publication with an attached copy of the published notice, shall be filed with the commission no later than forty-five (45) days of the filed date of the application.

If the notice is mailed, a written statement signed by the utility's chief officer in charge of Kentucky operations verifying the notice was mailed shall be filed with the commission no later than thirty (30) days of the filed date of the application.

All utilities, in addition to the above notification, shall post a sample copy of the required notification at their place of business no later than the date on which the application is filed which shall remain posted until the commission has finally determined the utility's rates. Each notice shall contain the following language:

"The rates contained in this notice are the rates proposed by __________. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for customers other than the rates included in this notice.

"Any corporation, association, body politic or person my request leave to intervene by motion within 30 days after notice of the proposed rate changes is given. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P. O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party. Intervenors may obtain copies of the application and testimony by contacting _____________ at _______________. A copy of the application and testimony shall be available for public inspection at the utility's offices."